

Landlords: How To Maximise Your Rental Income

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LANDLORDS: HOW TO MAXIMISE YOUR RENTAL INCOME

No matter what business you operate in, you should be looking to maximise your rental income. Landlords are no different.

At Stones Residential, we are pleased to say we have worked closely with many landlords, helping them achieve a more satisfactory income from their rental properties.

Some of the critical areas you must focus on when looking to enjoy the best possible return on investment include:

- Finding the best location and understanding the local market
- Finding the best tenant
- Increase the perceived value of your property

When you achieve success in these three areas, you significantly enhance your chances of improving your rental income.



UNDERSTAND THE LOCAL RENTAL MARKET

The phrase "location, location, location" is perhaps overused now in the property market, becoming a cliché that is easy to trot out.

However, the importance of location should never be forgotten, and as a landlord, there are crucial questions you must answer about the local area.

- Is there sufficient demand from tenants for the type of property I wish to let in this area?
- Is the value of the property likely to increase?
- Can I generate enough rental income to cover all costs, not just the mortgage payments?
- What is the projected yield of the property, after all, costs have been accounted for?
- Is there an opportunity to negotiate on the property price?

If you can answer all these questions, you will be well-placed to make an informed decision in the rental market. If you have experience in the local market, you might have an intuitive feel for what the market offers and what tenants want.



UNDERSTAND THE LOCAL RENTAL MARKET

This is helpful, but always back up your feelings with statistics and proven data.

If you already own property or you are determined to buy to let in a specific area, this is your starting point for location.

However, if you are flexible, you should look for a place which helps you achieve your desired outcome.

It might be you would prefer to let to a particular type of tenant. You might be focused on buying a property in an area that promises a minimum level of rental yield. The location you choose can assist you in meeting these targets, and if you are flexible, you have the entire country to consider.

Whether you are local or not, and no matter the level of experience you have, it makes sense to call on local professionals for help.



UNDERSTAND THE LOCAL RENTAL MARKET

As independent estate agents, specialising in letting and property management, we know the local rental market and are here to answer every question you might have.

We also offer rental property valuation services, ensuring you are informed about how much rent you should charge.



THE RIGHT TENANT MAKES A MASSIVE DIFFERENCE

The right tenant for your property is one who meets the essential criteria for you. All landlords should be looking for tenants who will pay in full, on time and who will take great care of your rental property.

Of course, you might have a particular type of tenant in mind, and you will want to find a tenant who is happy to pay the amount of rent you wish to charge.



WHERE TO LOOK FOR THE RIGHT TENANT

How and where you promote your property will impact on the likely tenants you reach. It is essential to know what your best-suited tenants are looking for, where they search for rental property, and how you can connect with them.

What a young professional looks for in a rental property is different from what a student needs or a family.

Consider your ideal or most likely tenant, and position your promotional activities towards.



YOU MUST VET TENANTS

Even though most landlords are keen to minimise void periods at their rental property, you cannot rush the selection process. If you fail to vet tenants, you significantly increase the risk of causing yourself significant problems and losing money in the long-term.

When vetting prospective tenants, you should consider:

- Who is genuinely interested in the rental property, and who is wasting your time?
- Who can afford to pay the monthly rent, and still have money to pay their other bills each month?
- Does the tenant have the Right To Rent, which is a legal requirement for landlords to ascertain?
- Can the tenant provide references from previous tenants which offers insight into their conduct and behaviour in a rental property?



YOU MUST VET TENANTS

The vetting process should review an applicant's credit score, their current income, their monthly outgoings and references from sources who know them well.

This isn't an area you can afford to overlook, so if you are unable or unwilling to assess a tenant's suitability, call on an expert to do so on your behalf.

At Stones Residential, we are highly experienced in vetting tenants, which includes a formal credit check, and we are more than happy to provide this service for landlords.

After vetting tenants, you can make an informed decision as to which tenant is best for you and your rental property.



MAXIMISE YOUR PROPERTY'S PERCEIVED VALUE

Not all rental properties are the same, even properties in the same street or block. Landlords can improve their rental property, maximising the perceived value from the property. This will help you connect with more likely tenants, and more importantly, the tenants you want to connect with.

Undertake a deep clean

The cleaner the property, the better. A gleaming home appeals to tenants, and it can help you attract a better standard of tenant. In turn, this enables you to justify a higher rent.

Also, when you present a clean rental property, the tenant is more likely to maintain this standard of cleanliness in the rental property.

Decorate before listing the property

It makes sense to make the property seem as fresh and as appealing as possible. If you are going to decorate rental property, choose neutral colours, as this will appeal to more people.



MAXIMISE YOUR PROPERTY'S PERCEIVED VALUE

Create as much space as you can

The more space available in the property, the more appealing it will be. Consider adding storage solutions and make sure you declutter as much as you can, as this will make the property more attractive to likely tenants.

With all these changes, consider the most likely or most suitable tenant in mind. The needs of a young professional will be different from a young family, and how you present your rental property should differ too.



CONTACT US

We offer a comprehensive range of lettings and management service tailored to landlords' portfolio in Stanmore. If you would like to arrange an appointment to help you negotiate the local buy-to-let market, please contact Stones Residential today by calling us on 020 8954 0045 or emailing stanmore@stonesresidential.co.uk.

40 Church Rd, Stanmore HA7 4AH

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